

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 20, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant:	California Municipal Finance Authority
Allocation Amount Requested:	Tax-exempt: \$5,000,000
Project Information:	Name: Heavenly Vision Project Address: 9500 South Broadway Project City, County, Zip Code: Los Angeles, Los Angeles, 90003
Project Sponsor Information:	Name: Heavenly Vision Apartments Preservation, L.P. (Figueroa Economical Housing Development Corp.) Principals: Lyndale Frison Property Management Company: Monfric, Inc.
Project Financing Information:	Bond Counsel: Orrick, Herrington & Sutcliffe LLP Private Placement Purchaser: Red Stone Tax Exempt Funding LLC Cash Flow Permanent Bond: Not Applicable Public Sale: Not Applicable Underwriter: Not Applicable Credit Enhancement Provider: Not Applicable Rating: Not Applicable TEFRA Noticing Date: October 31, 2018 TEFRA Adoption Date: November 14, 2018
Description of Proposed Project:	State Ceiling Pool: General Total Number of Units: 46 Manager's Units: 1 Unrestricted Type: Acquisition and Rehabilitation Population Served: Senior Citizens

Heavenly Vision is an existing project located in Los Angeles on a 1.43-acre site. The project includes 45 restricted rental units and 1 unrestricted manager unit, all of which are one-bedroom units. Building exterior renovations will include new roofs, stucco/siding repairs, selected replacement of patio covers and fresh paint. Interior renovations will include improvements to the community room and to the elevator. Individual apartment units will be updated with new kitchen appliances, cabinets, countertops, flooring, heating/AC, window treatments and fresh paint. Site area renovations will include new lighting and parking lot improvements. The rehabilitation is expected to begin in June 2019 and be completed in March 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (45 units) restricted to 50% or less of area median income households.

Unit Mix: 1 bedroom

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 10,361,913	
Estimated Hard Costs per Unit:	\$ 15,321	(\$704,755 /46 units including mgr. units)
Estimated per Unit Cost:	\$ 225,259	(\$10,361,913 /46 units including mgr. units)
Allocation per Unit:	\$ 108,696	(\$5,000,000 /46 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 111,111	(\$5,000,000 /45 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 5,000,000	\$ 846,083
LIH Tax Credit Equity	\$ 694,696	\$ 2,588,409
Deferred Developer Fee	\$ 1,015,182	\$ 0
Seller Carryback Loan	\$ 0	\$ 3,275,386
Los Angeles County HA Loan (HACOLA)	\$ 549,001	\$ 549,001
Los Angeles City Loan (LAHD)	\$ 2,866,853	\$ 2,866,853
Total Sources	\$ 10,125,732	\$ 10,125,732

Uses of Funds:	
Land Cost/Acquisition	\$ 6,700,000
Rehabilitation	\$ 726,847
Relocation	\$ 230,000
Contractor Overhead & Profit	\$ 88,368
Architectural Fees	\$ 100,000
Survey and Engineering	\$ 80,000
Construction Interest and Fees	\$ 566,500
Permanent Financing	\$ 96,961
Legal Fees	\$ 190,000
Reserves	\$ 157,779
Appraisal	\$ 8,600
Hard Cost Contingency	\$ 119,988
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 244,249
Developer Costs	\$ 1,052,621
Total Uses	\$ 10,361,913

Analyst Comments:

None

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points:

75 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$5,000,000 in tax-exempt bond allocation.

ATTACHMENT A

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	0
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	110	75